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101st Congress, 1st Session - - - - - - - - - - House Document 101-69

EXTENSION OF WAIVER OF PROHIBITION ON TRADE

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

DOCUMENTS WITH RESPECT TO A FURTHER 12-MONTH EXTENSION OF AUTHORITY TO WAIVE CERTAIN SECTIONS OF THE TRADE ACT OF 1974, INCLUDING WAIVERS REGARDING THE HUNGARIAN PEOPLE'S REPUBLIC AND THE PEOPLE'S REPUBLIC OF CHINA, PURSUANT TO 19 U.S.C. 2432(c), (d)

MAY 31, 1989.—Message and accompanying papers referred to the Committee on Ways and Means and ordered to be printed

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U.S. GOVERNMENT PRINTING OFFICE

29-011 WASHINGTON : 1989

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To the Congress of the United States:

I hereby transmit the documents referred to in Subsection 402(d)(5) of the Trade Act of 1974 with respect to a further 12-month extension of the authority to waive Subsections (a) and (b) of Section 402 of the Act. These documents constitute my decision to continue in effect this waiver authority for a further 12-month period.

I include as part of these documents my determination that further extension of the waiver authority will substantially promote the objectives of Section 402. I also include my determination that continuation of the waivers applicable to the Hungarian People's Republic and the People's Republic of China will substantially promote the objectives of Section 402. The attached documents also include my reasons for extension of the waiver authority, and for my determination that continuation of the waivers currently in effect for the Hungarian People's Republic and the People's Republic of China will substantially promote the objectives of Section 402.

GEORGE BUSH.

THE WHITE HOUSE, *May 31, 1989.*

[PRESIDENTIAL DETERMINATION No. 89-14]

THE WHITE HOUSE,
Washington, May 31, 1989.

MEMORANDUM FOR THE SECRETARY OF STATE

Subject: Determination Under Section 402(d)(5) of the Trade Act of 1974—Continuation of Waiver Authority.

Pursuant to the authority vested in me under the Trade Act of 1974 (Public Law 93-618), January 3, 1985 (88 Stat. 1978) (hereinafter "the Act"), I determine, pursuant to Subsection 402(d)(5) of the Act, that the further extension of the waiver authority granted by Subsection 402(c) of the Act will substantially promote the objectives of Section 402 of the Act. I further determine that the continuation of the waivers applicable to the Hungarian People's Republic and the People's Republic of China will substantially promote the objectives of Section 402 of the Act.

This determination shall be published in the Federal Register.

GEORGE BUSH.

REPORT TO CONGRESS CONCERNING EXTENSION OF WAIVER AUTHORITY

Pursuant to Subsection 402(d)(5) of the Trade Act of 1974 (hereinafter "the Act"), I have today determined that further extension of the waiver authority granted by Subsection 402(c) of the Act for twelve months will substantially promote the objectives of Section 402, and that continuation of the waivers currently applicable to the Hungarian People's Republic and the People's Republic of China will also substantially promote the objectives of Section 402 of the Act. My determination is attached and is incorporated herein.

The general waiver authority conferred by Section 402 of the Act is an important means for the strengthening of mutually beneficial relations between the United States and certain countries of Eastern Europe and the People's Republic of China. The waiver authority has permitted us to conclude and maintain in force bilateral commercial agreements with Hungary and the People's Republic of China. These agreements continue to be fundamental elements in our political and economic relations with these countries, including important exchanges on emigration and human rights matters. The reciprocal granting of MFN trade treatment and other elements of these agreements enhance the ability of U.S. companies to compete in those markets. Moreover, continuation of the waiver authority will permit future expansion of our bilateral relations with other countries now subject to Subsections 402 (a) and (b) of the Act, should circumstances permit. I believe that these considerations clearly warrant this renewal of the general waiver authority.

I believe that extending the current waivers applicable to Hungary and the People's Republic of China will substantially promote the objectives of Section 402 of the Act.

HUNGARY

Hungary has continued to take a positive and constructive approach to emigration matters. In 1988 all Hungarians who applied to emigrate for purposes of family reunification received permission to depart. The American Embassy in Budapest issued 106 immigrant visas in 1988. There have been no divided family cases since the spring of 1987, when three cases brought to the Foreign Ministry's attention in January of that year were resolved.

As part of the new passport regulations introduced in 1988, the categories of persons whom a Hungarian may apply to emigrate to join now include: spouses; children; parents; brothers; sisters; and grandparents. The passport regulations also eliminated most previous restrictions on Hungarian visits abroad. Passports are now valid for five years for travel to any country for stays of up to 90 days, which can be further extended by application to the nearest Hungarian Embassy or Consulate. Officially, less than 0.2 percent of all passport applications are denied, for reasons of "national interest" (presumably security related jobs), or if the citizen is under indictment, is a criminal or owes money. Those who go abroad and do not return within the permitted time could be punished by loss of a passport for up to five years.

The Hungarian Government has announced plans to introduce legislation this August which will authorize free emigration to all except those with "state responsibilities" (presumably security related jobs), and those serving prison sentences. If passed by Parliament, this will bring Hungary's law into conformity with current practices. In such case Hungary could then be considered for MFN treatment under Section 402(b) of the 1974 Trade Act, throughout the duration of our renewable three year agreement on trade relations.

PEOPLE'S REPUBLIC OF CHINA

Although China's population now exceeds 1.1 billion persons, only ten percent of the country's land area is suitable for farming. China's standard of living is low—per capita GNP was under $350 in 1988. Urban overcrowding is endemic and unemployment is a growing problem. In consequence, China faces exceptional challenges to feeding and housing even its present population. Furthermore, birth rates have recently picked up again and are adding another 14–15 million people each year to the population. If present trends continue, China's population will approach 1.3 billion by the year 2000. These circumstances contribute to the maintenance of a relatively open emigration policy. In addition, the Chinese Government, as part of its policies of economic reform and opening to the outside world, continues to encourage students, scientists, and industrial managers to travel to Western countries for training and orientation. The principal restraint on increased emigration appears not to be Chinese policy, but the capacity and willingness of other nations to absorb Chinese immigrants.

China's relatively liberal policy on emigration is reflected in the steadily rising number of immigrant and non-immigrant visas issued by our embassy and consulates in China since the normalization of relations in 1979. In FY 1988, our China posts issued a combined total of 77,363 immigrant and non-immigrant visas (versus a total of 66,831 in FY 1987). This represents a rise of 16 percent. At the same time, the number of applications refused by U.S. consular personnel has risen dramatically from 45,172 in FY 1987 to 73,580 in FY 1988. According to preliminary reports, visa issuances were again up sharply in the first five months of FY 1989. Other Western countries also continue to experience increases in Chinese travel and emigration.

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